

AMENDED IN SENATE MARCH 6, 2014

**SENATE BILL**

**No. 917**

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**Introduced by Senator Gaines**

January 27, 2014

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An act to amend ~~Section 2122 of the Unemployment Insurance Code,~~  
~~relating to fraud~~ *Sections 10133.1 and 10604.1 of the Insurance Code,*  
*and to amend Sections 1363.02 and 1367.26 of the Health and Safety*  
*Code, relating to health care coverage.*

LEGISLATIVE COUNSEL'S DIGEST

SB 917, as amended, Gaines. ~~Unemployment insurance: fraud:~~  
~~penalties.~~ *Health care coverage: provider information.*

(1) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law, with some exceptions, requires a health care service plan or disability insurer, as defined, to, on or before July 1, 2001, include a specified statement at the beginning of each provider directory.

This bill would additionally require health care service plans and disability insurers to include a statement that states, among other things, that the information in the directory is subject to change. The bill would also make other conforming and technical changes.

(2) Existing law requires insurers to provide group policyholders with a current roster of institutional and professional providers under contract to provide services at alternative rates under their group policy and to make the lists available for public inspection during regular

*business hours at the insurer's or plan's principal office within the state.*

*This bill would require the insurers to also provide this information to prospective group policyholders and would authorize insurers to satisfy the requirement by directing the group policyholders and prospective group policyholders to the insurer's Internet Web site. The bill would require insurers to ensure that the information provided is updated daily and would authorize the insurer to satisfy the update requirement by providing the information on its Internet Web site.*

*(3) Existing law requires a health care service plan to provide, upon request, a list of specified contracting providers within the enrollee's or prospective enrollee's general geographic area. Existing law requires the health care service plan to provide the information in written form, upon request, and authorizes the health care service plan, with the permission of the enrollee, to satisfy this requirement by directing the enrollee or prospective enrollee to the plan's provider listings on its Internet Web site. Existing law also requires that the health care service plan ensure that the information provided is updated at least quarterly, as specified.*

*This bill would instead authorize the health care service plan to satisfy the requirement by directing the enrollee to the plan's provider listings on its Internet Web site without requiring the permission of the enrollee and would require the plan to update the information provided daily. The bill would authorize the health care service plan to satisfy the update requirement by providing the information on its Internet Web site.*

*Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

~~Existing law provides that, among other things, it is unlawful to commit fraud to obtain unemployment compensation or disability benefits, including, but not limited to, falsely certifying the medical condition of any person in order to obtain disability benefits, knowingly presenting a false statement in support of a claim for benefits, knowingly~~

~~soliciting, receiving, offering, paying, or accepting any payment for soliciting a claimant to apply for disability insurance benefits, or knowingly assisting any person who engages in fraudulent or prohibited actions, as specified. The violation of these provisions, except as provided, is punishable by imprisonment in the county jail not to exceed one year, or in the state prison, or by a fine of not more than \$20,000, or by both the fine and imprisonment, at the discretion of the court.~~

~~This bill would raise the limit of the fine to not more than \$50,000.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~yes.  
State-mandated local program: ~~no~~yes.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 10133.1 of the Insurance Code is amended*  
2     *to read:*

3     10133.1. (a) Insurers shall provide group policyholders *or*  
4     *prospective group policyholders* with a current roster of  
5     institutional and professional providers under contract to provide  
6     services at alternative rates under their group policy and shall also  
7     make ~~such~~ *the* lists available for public inspection during regular  
8     business hours at the insurer's or plan's principal office within the  
9     state.

10    (b) *Insurers may satisfy the requirement in subdivision (a) by*  
11    *directing the group policyholders or prospective group*  
12    *policyholders to the insurer's provider listings on its Internet Web*  
13    *site.*

14    (c) *Insurers shall ensure that the information provided under*  
15    *this section is updated daily. An insurer may satisfy this update*  
16    *requirement by providing the information on its Internet Web site.*

17    *SEC. 2. Section 10604.1 of the Insurance Code is amended to*  
18    *read:*

19    10604.1. (a) The Legislature finds and declares that the right  
20    of every patient to receive basic information necessary to give full  
21    and informed consent is a fundamental tenet of good public health  
22    policy and has long been the established law of this state. Some  
23    hospitals and other providers do not provide a full range of  
24    reproductive health services and may prohibit or otherwise not  
25    provide sterilization, infertility treatments, abortion, or  
26    contraceptive services, including emergency contraception. It is  
27    the intent of the Legislature that every patient be given full and

1 complete information about the health care services available to  
2 allow patients to make well informed health care decisions.

3 (b) ~~On or before July 1, 2001, every~~ A disability insurer that  
4 provides coverage for hospital, medical, or surgical benefits, and  
5 which provides a list of network providers to prospective insureds  
6 and insureds, shall do both of the following:

7 (1) Include the following ~~statement~~, *statements*, in at least  
8 12-point boldface type, at the beginning of each provider directory:

9 ~~“Some~~

10 (A) ~~“Some~~ hospitals and other providers do not provide one or  
11 more of the following services that may be covered under your  
12 policy and that you or your family member might need: family  
13 planning; contraceptive services, including emergency  
14 contraception; sterilization, including tubal ligation at the time of  
15 labor and delivery; infertility treatments; or abortion. You should  
16 obtain more information before you become a policyholder or  
17 select a network provider. Call your prospective doctor or clinic,  
18 or call the insurer at (insert the insurer’s membership services  
19 number or other appropriate number that individuals can call for  
20 assistance) to ensure that you can obtain the health care services  
21 that you need.”

22 ~~(2) Place the statement described in paragraph (1) in a prominent~~  
23 ~~location on any provider directory posted on the insurer’s website,~~  
24 ~~if any, and include this statement in a conspicuous place in the~~  
25 ~~insurer’s evidence of coverage and disclosure forms.~~

26 ~~(e)~~

27 (i) A disability insurer shall not be required to provide the  
28 statement described in ~~paragraph (1) of subdivision (b)~~ *this*  
29 *subparagraph* in a service area in which none of the hospitals,  
30 health facilities, clinics, medical groups, or independent practice  
31 associations with which it contracts limit or restrict any of the  
32 reproductive services described in the statement.

33 ~~(d)~~

34 (ii) ~~This section~~ *subparagraph* shall not apply to vision-only,  
35 dental-only, accident-only, specified disease, hospital indemnity,  
36 Medicare supplement, long-term care, or disability income  
37 insurance.

38 (B) *“All information in this directory is subject to change. Prior*  
39 *to signing up for any disability insurance policy, consumers should*  
40 *call or otherwise verify the participation of any doctor or other*

1 *health care provider listed in this directory to ensure they are*  
2 *currently participating in this policy and are taking new patients.”*

3 *(2) Place the statements described in paragraph (1) in a*  
4 *prominent location on any provider directory posted on the*  
5 *disability insurer’s Internet Web site, if any, and include the*  
6 *statements in a conspicuous place in the insurer’s evidence of*  
7 *coverage and disclosure forms.*

8 *SEC. 3. Section 1363.02 of the Health and Safety Code is*  
9 *amended to read:*

10 1363.02. (a) The Legislature finds and declares that the right  
11 of every patient to receive basic information necessary to give full  
12 and informed consent is a fundamental tenet of good public health  
13 policy and has long been the established law of this state. Some  
14 hospitals and other providers do not provide a full range of  
15 reproductive health services and may prohibit or otherwise not  
16 provide sterilization, infertility treatments, abortion, or  
17 contraceptive services, including emergency contraception. It is  
18 the intent of the Legislature that every patient be given full and  
19 complete information about the health care services available to  
20 allow patients to make well informed health care decisions.

21 (b) ~~On or before July 1, 2001, a~~ A health care service plan that  
22 covers hospital, medical, and surgical benefits shall do both of the  
23 following:

24 (1) ~~Include the following statement,~~ *statements*, in at least  
25 12-point boldface type, at the beginning of each provider directory:

26 ~~“Some~~

27 (A) ~~“Some~~ hospitals and other providers do not provide one or  
28 more of the following services that may be covered under your  
29 plan contract and that you or your family member might need:  
30 family planning; contraceptive services, including emergency  
31 contraception; sterilization, including tubal ligation at the time of  
32 labor and delivery; infertility treatments; or abortion. You should  
33 obtain more information before you enroll. Call your prospective  
34 doctor, medical group, independent practice association, or clinic,  
35 or call the health plan at (insert the health plan’s membership  
36 services number or other appropriate number that individuals can  
37 call for assistance) to ensure that you can obtain the health care  
38 services that you need.”

39 ~~(2) Place the statement described in paragraph (1) in a prominent~~  
40 ~~location on any provider directory posted on the health plan’s~~

1 website, if any, and include this statement in a conspicuous place  
2 in the plan's evidence of coverage and disclosure forms.

3 (e)

4 (i) A health care service plan shall not be required to provide  
5 the statement described in ~~paragraph (1) of subdivision (b)~~ *this*  
6 *subparagraph* in a service area in which none of the hospitals,  
7 health facilities, clinics, medical groups, or independent practice  
8 associations with which it contracts limit or restrict any of the  
9 reproductive services described in the statement.

10 (d)

11 (ii) ~~This section~~ *subparagraph* shall not apply to specialized  
12 health care service plans or Medicare supplement plans.

13 (B) *"All information in this directory is subject to change. Prior*  
14 *to signing up for any health insurance policy, consumers should*  
15 *call or otherwise verify the participation of any doctor or other*  
16 *health care provider listed in this directory to ensure they are*  
17 *currently participating in this policy and are taking new patients."*

18 (2) *Place the statements described in paragraph (1) in a*  
19 *prominent location on any provider directory posted on the health*  
20 *plan's Internet Web site, if any, and include the statements in a*  
21 *conspicuous place in the plan's evidence of coverage and*  
22 *disclosure forms.*

23 SEC. 4. *Section 1367.26 of the Health and Safety Code is*  
24 *amended to read:*

25 1367.26. (a) A health care service plan shall provide, upon  
26 request, a list of the following contracting providers, within the  
27 enrollee's or prospective enrollee's general geographic area:

28 (1) Primary care providers.

29 (2) Medical groups.

30 (3) Independent practice associations.

31 (4) Hospitals.

32 (5) All other available contracting physicians and surgeons,  
33 psychologists, acupuncturists, optometrists, podiatrists,  
34 chiropractors, licensed clinical social workers, marriage and family  
35 therapists, professional clinical counselors, and nurse midwives  
36 to the extent their services may be accessed and are covered  
37 through the contract with the plan.

38 (b) This list shall indicate which providers have notified the  
39 plan that they have closed practices or are otherwise not accepting  
40 new patients at that time.

1 (c) The list shall indicate that it is subject to change without  
2 notice and shall provide a telephone number that enrollees can  
3 contact to obtain information regarding a particular provider. This  
4 information shall include whether or not that provider has indicated  
5 that he or she is accepting new patients.

6 (d) A health care service plan shall provide this information in  
7 written form to its enrollees or prospective enrollees upon request.  
8 A plan may, ~~with the permission of the enrollee,~~ satisfy the  
9 requirements of this section by directing the enrollee or prospective  
10 enrollee to the plan's provider listings on its Internet Web site.  
11 Plans shall ensure that the information provided is updated ~~at least~~  
12 ~~quarterly~~ *daily*. A plan may satisfy this update requirement by  
13 ~~providing an insert or addendum to any existing provider listing~~  
14 *the information on its Internet Web site*. This requirement shall  
15 not mandate a complete republishing of a plan's provider directory.

16 (e) Each plan shall make information available, upon request,  
17 concerning a contracting provider's professional degree, board  
18 certifications, and any recognized subspecialty qualifications a  
19 specialist may have.

20 (f) Nothing in this section shall prohibit a plan from requiring  
21 its contracting providers, contracting provider groups, or  
22 contracting specialized health care plans to satisfy these  
23 requirements. If a plan delegates the responsibility of complying  
24 with this section to its contracting providers, contracting provider  
25 groups, or contracting specialized health care plans, the plan shall  
26 ensure that the requirements of this section are met.

27 (g) Every health care service plan shall allow enrollees to request  
28 the information required by this section through their toll-free  
29 telephone number or in writing.

30 *SEC. 5. No reimbursement is required by this act pursuant to*  
31 *Section 6 of Article XIII B of the California Constitution because*  
32 *the only costs that may be incurred by a local agency or school*  
33 *district will be incurred because this act creates a new crime or*  
34 *infraction, eliminates a crime or infraction, or changes the penalty*  
35 *for a crime or infraction, within the meaning of Section 17556 of*  
36 *the Government Code, or changes the definition of a crime within*  
37 *the meaning of Section 6 of Article XIII B of the California*  
38 *Constitution.*

39 ~~SECTION 1. Section 2122 of the Unemployment Insurance~~  
40 ~~Code is amended to read:~~

1     ~~2122. Except as provided in Sections 2117, 2117.5, 2118, and~~  
2     ~~2118.5, a violation of this chapter is punishable by imprisonment~~  
3     ~~in the county jail not to exceed one year, or in the state prison, or~~  
4     ~~by a fine of not more than fifty thousand dollars (\$50,000), or by~~  
5     ~~both the fine and imprisonment, at the discretion of the court.~~

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